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C O N F I D E N T I A L TOKYO 003169

SENSITIVE
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DEPARTMENT FOR EAP/J, ISN/NESS JAN FLADEBOE, DOE FOR GC-52
BEN MCRAE, NE-6 CRAIG WELLING

E.O. 12958: DECL: 11/18/2018

TAGS: [PARM](#) [ENRG](#) [TRGY](#) [NRR](#) [MNUC](#) [PUNE](#) [JA](#)

SUBJECT: JAPAN TO CONTINUE DELIBERATING CONVENTION ON
SUPPLEMENTARY COMPENSATION

REF: STATE 054213

Classified By: Ambassador J. Thomas Schieffer for reasons 1.4 (b) and (d).

¶1. (SBU) Summary: Japan sees no need to join the Convention on Supplementary Compensation for Nuclear Damage (CSC) immediately, but has concluded the CSC is the "realistic future choice." The GOJ, therefore, will continue its internal deliberations. Despite comments from a MEXT official that U.S. firms are not pushing their Japanese counterparts on the issue, and that such efforts are needed for progress, Tokyo-based representatives of one U.S. firm note they have in fact been advocating for the CSC. End summary.

MEXT COMMENTS REGARDING CSC

¶2. (C) Econoff met with Ministry of Education, Culture, Sports, Science and Technology (MEXT) official Taro Hokugo November 5. Hokugo, the deputy director of the Atomic Energy Division's Research and Development Bureau, provided a short update on CSC-related deliberations within the Japanese government. He also provided a draft document entitled "Recent Development on the Revision of Nuclear Liability System", which post is sending by e-mail to State ISN/NESS and DOE's Office of Nuclear Energy.

¶3. (C) Hokugo noted MEXT's Nuclear Liability System Review Committee had examined various nuclear liability treaties, including the CSC, the Vienna Convention on Civil Liability for Nuclear Damage, and the Convention on Third Party Liability in the Field of Nuclear Energy (Paris Convention). After review, MEXT decided the Vienna Convention would be insufficient and the Paris Convention would be too difficult to join. The Committee concluded the CSC was Japan's "realistic future choice" and the Committee will establish a working group to continue discussions on CSC issues.

¶4. (C) Hokugo said MEXT sees no need to act quickly on the issue of CSC because there is little interest on the part of Japanese firms Toshiba and Hitachi. These firms, he claimed, are not receiving any pressure from their American counterparts regarding the CSC. Hokugo suggested if the U.S. wants Japan to join the convention, American firms need to put pressure on their Japanese counterparts, which they would then transfer to MEXT.

¶5. (C) According to the document provided by Hokugo, the Committee's report is out for public comment and a final version will be released in December. Post will forward a copy of the full report (in Japanese) for those interested in having a copy for the record. To move the issue forward with

MEXT, Post has plans for a more in-depth meeting with officials responsible for nuclear liability policy.

INDUSTRY COMMENTS

¶6. (SBU) DOE Nuclear Energy Attache and Econoff also met with Tokyo-based representatives of GE Japan November 10 to discuss the firm's interactions with Japanese industry regarding the CSC.

¶7. (SBU) In contrast to MEXT comments about the need for U.S. companies to put pressure on their Japanese counterparts, the GE officials said their company had in fact urged Japanese companies at the staff level to support ratification of the CSC. After discussions, GE reps agreed that perhaps higher-level advocacy was called for and noted they have been deliberating whether to deliver comments at the senior level.

¶8. (SBU) In discussing the challenges GE faces, reps commented that Japanese industry does not share GE's awareness of the vulnerabilities caused by liability. Furthermore, Japanese firms are hesitant to support CSC because of cost concerns. For its part, reps noted, U.S. industry has been reluctant in some quarters to describe the need for CSC too starkly for fear it would discourage the Japanese from pursuing joint business efforts.

¶9. (SBU) Emboffs and GE reps further discussed Japanese power companies' apparent opposition to the CSC. The GE reps noted this was somewhat confusing, given that it seemed plant suppliers would be liable for CSC-related costs, and not the utilities companies. Econoff inquired if the utilities had any business plans, perhaps involving partnering with suppliers for overseas ventures, that could affect their outlook and reps agreed this issue needs further investigation.

SCHIEFFER